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27 May 1948

MEMORANDUM FOR Mathias F. Correa

Subject: Executive for Inspection and Security

1. I have talked to Colonel Edwards and the Chiefs of his two Branches as to the functions and problems of INS. All three made a favorable impression on me. Colonel Edwards I have known for some time, and I believe him to be an intelligent, hard-working and enthusiastic person. Both of his Branch Chiefs are former OSS men and, I believe, are doing a very capable job.

2. In INS there are two branches:

(a) Security Branch which is responsible for the developing and enforcing of security regulations governing CIA personnel, property, etc. It is also responsible for physical security inspections and for the security clearance of all personnel assigned to or on duty with CIA. An additional function is liaison with the FBI.

(b) The Inspection and Audit Branch is responsible for conducting audits of special funds. As directed by the Director, they conduct inspections of operations to ascertain the adequacy and effectiveness of service and support and make any other such special reports as the Director may request.

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4. Functions of INS are fairly clear cut and I have heard only one real criticism. This was to the effect that clearance of personnel took far too long. INS, however, is not really at fault in this matter. Up until January 1, all clearances were handled by the FBI. At that time, this arrangement was terminated, and from now on, INS will handle all CIA clearances. It will not, however, be prepared to do this until the first of August, and during the present period, OSO is attempting to help them as a stopgap. This is most unsatisfactory and very few personnel are being cleared. The obvious result is that good prospects become discouraged and are unwilling to wait the two or three months necessary to obtain clearance.

5. I feel that CIA is duplicating the FBI effort in setting up a Clearance Branch of their own. On the other hand, the decision has been reached on a high level, and it would appear impossible to persuade FBI to reundertake CIA clearances. I am attaching a copy of an interview with Colonel Edwards which sets forth his estimate for the number of security clearances.

6. Delay in forming the Clearance Branch, I believe, was due to the

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fact that up until the end of December, 1947, CIA hoped that due to pressure on a high level, FBI could be persuaded to reconsider their stand.

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*My copy*

6 May 1948

MEMORANDUM FOR FILE:

SUBJECT: Interview with Colonel Edwards, Executive for Inspection and Security

1. I talked to Colonel Edwards at some length on the FBI decision to no longer make security clearance checks for CIA and the necessity for I&S setting up their own branch for clearances. On September 30 Mr. Hoover wrote to Admiral Hillenkoetter stating that due to press of additional work, the FBI would no longer be able to make checks for CIA and set October 15 as the deadline. On October 3, Hillenkoetter wrote to Hoover, explaining that if the FBI cancelled CIA clearance checks, CIA would have to set up their own department which would entail duplication of effort and considerable delay. On October 8, Hoover wrote to Hillenkoetter, extending the deadline to November 15. There ensued conversations between Mr. Forrestal and Hoover and the deadline was further extended to January 1. On December 22, Mr. Forrestal again wrote Hoover on the subject and received a reply on December 26 in which Mr. Hoover, I believe, restated his position and stuck to his decision.

2. Since January 1, OSO has been assisting in making checks, but this must have been unsatisfactory and has resulted in the building up of a considerable backlog. Edwards again said that his new clearance branch would be fully ready to operate on August 1. He has investigated

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4. I think that some of the figures need amplification. Theoretically, position vacancies should not be a recurring item once CIA has reached its ceiling. However, when the ceiling has been reached, yearly turnover will

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probably increase. Edwards says that the yearly turnover is at present greater than [ ] listed above. He also said that he believes that newly appointed clerical personnel has a yearly turnover of almost 50%. This I will check with [ ] Provision for organization unit transfers should decrease as, in all probability, CIA will not continue to absorb outside units. The figure of [ ] reinvestigations is slightly misleading as a reinvestigation check takes considerably less effort than a complete check on a new applicant. Contacts Branch really requires approximately checks a year, but as these are mostly name checks they require comparatively little effort. Edwards estimated a figure of [ ] for this. *tu 125X1 checks*

5. Edwards said the FBI estimate that a field agent can only do approximately three checks per month. With the proposed [ ] field investigators, he thinks the clearance branch would be able to handle the above load. Under the former contract with FBI, a full clearance check cost CIA \$100. He estimates that with his own branch making the checks the cost will be approximately \$200, which would show an increase, based on his own estimated figures, of something like [ ] a year.

6. It would seem to me that this is a costly form of duplication and it would be infinitely better if the FBI could be persuaded to reconsider their position. Instead, I feel strongly that CIA clearance checks are infinitely more important than loyalty checks of all government personnel, and that there should be some way of putting CIA clearance checks under FBI on a high priority level. Edwards does feel that under the new system he will be able to average six weeks or less for a full clearance as against fourteen weeks or more for FBI clearances in October and November.

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